

THE HUMAN ELEMENT IN LABOR RELATIONS

by

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PREFACE

It is the purpose of this thesis to bring to attention how labor relations could be handled more effectively and more efficiently. An attempt has been made to stress the importance of labor relations on a human basis instead of a commodity basis. As the title indicates, THE HUMAN ELEMENT IN LABOR RELATIONS is a challenge for all labor-management negotiations.

In presenting the problem, a brief historical survey is made to show how the laboring man was treated from the earliest beginnings up to the present era. Emphasis is laid upon the laborer as a human being and how he should be treated.

Some readers will disagree upon the method of approach and handling of this labor problem, but this is one approach which the majority have overlooked or failed to consider. It is hoped that those who read this will find it a challenge and of real concern.

INTRODUCTION

The history of labor, its importance, its abuses and the vital part it has portrayed as a factor of production is to be regarded as a function by man. History of economic organizations has given very little significance to the human element, to those who worked with their hands in the dirt, mud and the more unpleasant tasks of a laboring man. People forget that laborers are human and were not considered as such because of their status.

Even in ancient times, laborers were considered as factors of production without feelings, desires or wants. Kings, emperors, dictators and other autocrats considered captured men as slaves and used their own people as a mere commodity. Around the year 1491 B. C., Moses asked the Pharaoh of Egypt for a three day leave for his people so they could journey into the desert to offer sacrifice to their Lord God. The Pharaoh said, "Why would you draw your people from their work? Mind your own business. The people of the land are lazy as it is, and yet you would relieve them of their burdens!"¹ The same day the Pharaoh ordered more work on the Israelites. King Solomon (ca. 970-931) reduced his people to the status of serfs in the process of building his wealth. The division of Israel was due to reducing his fellow countrymen to serfs and forcing them to serve in the royal labor gangs in the Lebanonns. Solomon also

¹ Exodus 5: 1-6.

used labor to pay for the horses and chariots which he bought from Egypt by making them serve a term of years for the Pharaoh. In the beginning of early economic thought, labor was looked down upon because political interests were dominant. Servile labor supported the dominant classes, and wealth was secured through wars, booties, slavery, etc. Human relations were not complex. Men's lives were filled with politics, wars, and religious festivals. Until the Reformation and the Renaissance, the attitude of men toward the world and material things remained unchanged.

With the influence of Christianity and the church teaching brotherhood, slavery was condemned wholly or in part. Christianity introduced elements deficient in Roman jurisprudence; the personality of man was emphasized as were the rights and worth of man.

In the Middle Ages labor was the chief factor of production. Value was judged by the amount of labor required to produce it, and labor was classified according to social status. This period in history immediately brings to attention the manorial and guild systems. The beginnings of slavery, serfdom and the wage system developed a new differentiation of industrial classes and employment relations. Under the guild system which may be considered a type of a labor union, since it was an association of merchants or craftsmen who sought protection, increased skill, built up trade, and the dignity of labor increased.

In the year 1351, the Statutes of Laborers were passed in

England which compelled the workingman to accept work when it was offered him at definite rates or wages for various classes of labor. Due to the Black Death, 1346 in Europe and 1348 in England, the majority of the laboring population probably died; this resulted in the scarcity of labor. Many attempts were made to return the serfs to bondage, since their masters perished in the plague, and to suppress free workers. These oppressions led to a Peasants' Revolt in 1381, a natural protest against unfair statutes and the onerous conditions in which the laborers lived.

The economy of the Middle Ages went through a transitional period. National economy, commerce and manufacturing encroached upon labor. Slavery was gradually abandoned for serfdom and free labor. A transition was made from materialism of later paganism to the modified idealism of Christianity, from the natural inequality and slavery among men to the ideals of brotherhood and freedom. The church was divorced from politics and industry thus making for that separation of morals from economics which has unfortunately come about in modern times.

The Industrial Revolution beginning in the middle of the eighteenth century meant increasing wealth to the nations. For the workers, however, it meant unemployment, low wages, bad housing and starvation. Child labor increased in its most destructive form. The old personal relationship between the master and the laborer ceased; instead the workingmen were merely a mass of people exploited to the limit.

In France, a group known as the Physiocrats advocated the

freedom of labor and assumed the natural order. Their ideas on wages was a rigid law, the iron law of wages, fixed at an irreducible minimum due to competition. That minimum was to reduce the life of the wage-earner to a level of bare subsistence.

The year 1776 not only saw the birth of the American nation but also the publication of the Wealth of Nations by Adam Smith, one of the classicists. Labor is the source of the wealth of nations, and the amount is determined by the skill and dexterity of the labor.¹ Ricardo thought of labor as only a factor of production without taking into consideration the human element. He said that labor, like any other thing is bought and sold, increased and decreased in quantity, has its natural and its market price. The natural price of labor is that price which is necessary to enable the laborers, one with another, to subsist and to perpetuate their race, without either increase or diminution.² This subsistence theory of low standard of life theory, is a cold-hearted outlook upon the wage-earner. Profit and rent depended upon either low or high rate of labor. The classicists didn't realize the variables of the human wants.

However, Sismondi brought in a school of thought that was directed toward the happiness of mankind; he was a forerunner of the Socialists. He at first supported the classical doctrine but later criticized it. Sismondi advocated certain re-

¹ Haney, Lewis H., History of Economic Thought. (New York, 1916), p. 168.

² Ibid., p. 226.

forms like giving laborers right to organize, limit child labor, abolish Sunday labor, shorten hours of work and make employers responsible for injury or old age.¹ In the light of today he was very conservative.

In England, Robert Owen became a founder of socialism and experimented a reform in industry. He was interested in the human equipment as well as the technical equipment of the mills. In 1800 he became the manager of the cotton mill in New Lanark and introduced many new regulations and reform. His philosophy was that man acted according to his environment. In the town of New Lanark, there were some thirteen to fourteen hundred families living in crowded quarters. Most of the families lived in one room houses under unsanitary conditions. Children worked long hours and consequently had no opportunity for education. Owen enforced strict sanitary rules, built decent houses, playgrounds for children, established kindergartens for the children of the operators, and developed a general educational system. He reduced hours, established stores from which workers could get supplies at cost, employed no children under ten years of age and instituted other reforms. This community showed the results of cleanliness, temperateness and a high morale. Robert Owen recognized labor as a social being, so he established a coffee house and a meeting place for the laborers.²

¹ Haney, Lewis H., History of Economic Thought. (New York, 1922), rev. ed., p. 364.

² Laidler, Harry W., History of Socialistic Thought. (New York, 1927), pp. 107-112.

Karl Marx's socialistic thought differs from that of Robert Owen in that he put socialism on a scientific basis. Marx considered labor as the producer of all value and attacked the capitalistic system. He stated that under the capitalistic system, the wages of labor are determined arbitrarily by the employer who enjoys the superior advantage in bargaining, so that the laborer must accept what the capitalist-employer is willing to pay him for his labor-power.¹ What labor gets in wages is, therefore, just barely sufficient to guarantee subsistence. Labor is exploited and degraded to the level of an accessory or a fixation to a machine. His intellectual potentialities are distorted by monotony of toil which takes away every remnant of the charm in his work and turns it into a hated task. Finally labor is placed under poor working conditions.

There were other theories which were advocated in determining wages. The marginal productivity theory of wages deals with the laborer as an individual, but the marginal laborer is the determiner of the wage rate and like other commodities, the rate is determined by supply and demand. The residual claimant theory said that the laborer receives what is left over after the deduction of rent, taxes, profits, and interest on capital. The share of this product which goes to labor is residual in the sense that wages measure the quantity after other factors of production have been satisfied according to the definite fac-

¹ Watkins, Gordon S., An Introduction to the Study of Labor Problems. (New York, c. 1922), p. 83.

tors of positive laws. The normal value or exchange value theory contended normal wages contain a surplus above the mere cost of subsistence. The laborer must be compensated for postponing consumption. Social progress is dependent upon the existence of a surplus in normal wages in excess needed for maintaining the prevailing standard of living. Bargaining theory is self-explanatory, but it was the employer who got the maximum and the worker the minimum. The personal factor was considered less by the employer while the employee considered the standard of comfort the most important.

John A. Hobson advances the theory that a minimum wage of labor should be a sum sufficient to maintain the laborer in working efficiency and to permit him to rear a family in decency and comfort.¹ He recognized the minimum an important factor. Economists today have seen the common element in all of these theories, the cost of subsistence and the utility of the product of labor. Recognition of these two important factors has led to the formulation of the utility-standard of living theory of wages. According to this, the wages cannot exceed the productivity of labor and cannot remain below the minimum requirements of the accepted standard of living for any particular group.²

Some two hundred forty years ago when groups of people left the European nations in order to escape the pernicious

¹ Ibid., p. 88.

² Ibid., p. 90.

conditions of labor and religious persecution, they landed on the great continent of North America. The early migrants to Colonial America, both men and women, came by giving up their independence. In so doing, these people had postponed their liberty by becoming indentured servants, constituting a valuable source of labor for farms and plantations. The most common reason for indenture was the inability of a person to pay for his passage to America. Upon arriving in America, the shipmaster would sell him for a period of five to nine years to the highest bidder.

In 1715 Maryland enacted a law requiring contracts of indentured servants drawn up within its boundaries to provide a five year period of service for those twenty-two years of age or over, six years of service for those between eighteen and twenty-two, and seven years for those between fifteen and eighteen. If the person was under fifteen, he was to serve until reaching twenty-two years of age.¹

Many of those bound to indentured service were loyal and industrious and in time owned lands and had indentured servants of their own. Frequently they were treated as members of the master's family. There were two classes of indentured servants, voluntary and involuntary. The latter were kidnapped persons, religious and political offenders, criminal and shanghaied young men and boys who were forced into this limited slavery.

There were free laborers and artisans besides the laboring

¹ Biehl, Katherine L., "The Indentured Servant in Colonial America." The Social Studies, XXXVI (Nov., 1945) pp. 316-319.

group of the family and the indentured servants. Slavery, another form of labor, was legalized in New England as early as 1641, and soon other colonies followed. In Virginia, slavery was an established institution in 1661 by act of council which set the pattern for the servitude in the other Southern colonies.

In following up the institution of slavery, our American history reveals to us, only too well, the real detriment in the whole national economy. It not only resulted in a Civil War but created a lag in the industrial development of the South. While the Northern states were investing millions of dollars in manufacturing and commerce, the South was likewise pouring millions into slavery. It is not difficult to see which investment gave a greater and a more substantial return. This country is still paying for using human beings as slaves.

It is a mistaken notion to say that this nation was rid of slavery with Lincoln's Emancipation Proclamation. Granted that in America, wages were higher and working conditions better than in Europe, but in the light of today, conditions then were worse than the worst of the present day. Child labor was widely prevalent from Slater's first mill (1791) throughout the whole textile industry. Working days were usually from sun up to sun down, hours varying from twelve to fifteen hours. Not only were there long hours and child labor, with dingy windows, bad air, and lack of sanitary facilities, but also outside working hours for labor was often subject to a paternalism that

today would be considered intolerable.¹

After the Civil War and a few years prior to World War I, America experienced a great era of industrial competition and combination. There were harmful effects of industrial combinations on the laborers and on labor conditions. The increased production in turn increased mental and physical strain on the workers engaged in industry. It was thought that with improved "know how" of industries, it would lessen the poverty, lighten the burden of the toilers. Instead there resulted a greater gap between the rich and poor, between employer and employee, and the struggle for mere existence became more intense. Industrial slavery increased with the absorption of smaller mills and factories by a greater combination. Laborers no longer enjoyed what freedom they had under the old system. At the expense of labor, combinations manipulated prices so as to receive the greatest profit. Competition caused plants to reduce their cost of production by speeding up their employees to the limit of human endurance and, in some cases, by reducing the working force. It mattered little whether the employee slowed up due to age or bad health; as long as he was replaceable, he was just another man, and human labor was cheap.

In the United States Steel Corporation, as late as 1912,² the largest combination in the steel industry, not over five per cent of its men earned over five dollars per day; twenty-

¹ Faulkner, Harold Underwood, American Political and Social History. (New York, 1941), p. 257.

² Williams, John, "Harmful Effects of Industrial Combination." The Annals of the American Academy, XLII July, 1912, p. 3.

three per cent received two dollars and a half up to five dollars per day and seventy per cent received two dollars and a half per day or less. For common labor the average wage in all their plants was about sixteen cents per hour, computed on rates paid in Pittsburg, Chicago, and Birmingham. A majority of the employees worked a twelve hour day, and twenty per cent of the 150,000 employees of the blast furnaces, open hearths, and rolling mills customarily worked seven days per week. It was not enough hardship with twelve hours so there were times for night shift, and vice versa, and many occasions arose when men worked eighteen to twenty-four hours consecutively without relief.¹

Not only did industrial combination inflict harmful effects upon the laboring man, but also upon labor organizations as well. A city could be well unionized but a combination could get control of the plants and shut them down, or, perhaps, operate them only three or four months of the year. The unions could hardly fight the resulting poverty, starvation and the capitalists at the same time.

With the development of industrial technology, there came with it specialization both geographical and industrial. Geographically, it increased social problems, matter of delinquency, families living in close quarters and other living problems. Industrially, specialization caused men to work at a routine, such as the Ford assembly line. A simple menial task such as tightening a nut hour after hour, not only took the

¹ Ibid., pp. 3-4.

creativity from the workers, but accident rate mounted fourfold. In industries where exposed machinery was used, it was naturally dangerous; and this coupled with monotony made it more hazardous. However, industrial accident was treated like a breakdown; if an injury occurred to the operator, replacement was easily found, and the work continued. The employer wasn't aware of the fact that the injured worker might have been the sole breadwinner of the family or might have been permanently disabled without any benefits either for him or his family. It wasn't important whether it was due to carelessness of the laborer or whether it could have been prevented if there were rest periods, an education for safety and installation of safety devices. Wars are considered inhuman, but what of industrial accidents? Economic necessity has made it imperative for man to find work for which he was mentally or physically unfit, and with the speed which machinery calls for, makes the laborer old and broken before his time. This cannot be entirely blamed on the machines; motivation for profits took its share of casualties.

In almost all industries there is that recognition that labor is a commodity. Wage theories likewise regard labor as a commodity. Labor is commonly spoken of as though it were a commodity like all commodities with an exchange price. This conception is not only erroneous, but is a great factor for the failure to evaluate properly the human element in production and for the resultant conflict of industrial interests.

LABOR IS HUMAN

Man is a social being who likes to associate with other people. Men react to men the way they react to each other. Man likes people who like him and hates the people who hate him. The employee likes the employer because the employee thinks the employer likes him.

A business is primarily people, people organized to serve other people; it is a living, dynamic thing. An organization ordinarily extends beyond direct employees and takes in agents, wholesalers, retailers, jobbers, suppliers and many other classes of people having some direct relationship with service, production and distribution. A business is a sum total of these relationship; other factors are secondary.

It is common to forget that labor, men and woman, human beings, make up this total relationship. The employers are not dealing with the mythical economic man but a man with social, economic, psychological and other problems.

Under the wage system, slavery, serfdom, and indentured service, the tendency to omit the personality of laboring class has been all too common. Labor has been regarded as an abstract quantity, a purchasable, impersonal commodity, a cost of production rather than a mass of individual human beings whose efforts are largely responsible for the creation of those economic goods and services that satisfy the wants and needs of the nations.¹

¹ Watkins, op. cit., p. 94.

Why is labor different from a commodity? There are a number of obvious reasons: Labor does not become private property of the employer as a master over a slave or an enterpriser over his raw material; ownership is not relinquished; and the seller of labor must accompany the commodity in delivery and the future concern or destination of labor is of vital importance to the worker. The fundamental thing is that labor is dynamic. Unlike a commodity, it is human. Labor power is inseparable from the personality of the laborer and that personality is a complex of emotions, instincts, motives, desires and impulses. To exploit labor may be economically plausible, but it cannot be viewed as economically sound and socially beneficial. The laborer is human and must be reached through the qualities that make him human and not those that make him a cog in a wheel.

The human emotion is a net work of biological and psychological phenomena. It is an aroused feeling, a feeling of physical preparedness for a specific action or conduct.

An emotion constitutes a drive to action. The organism is in a state of suspense and tension until the act is performed and the emotional state discharged. The sequence of events in the life of an emotion has been outlined as follows: recognition by the individual of some object or stimulus which is calculated to stir a given emotion; growth of the stirred-up state of the organism, with desire to act in the specific way indicated; activities of a specific sort accompanied by a certain kind of feeling which is the emotion; fulfillment of the desire and satisfactory release of the emotion (or failure to complete the desired activity) and a less rapid dissipating and disappearance of the emotion in other direction.¹

¹ Tead, Ordway, Human Nature and Management. (New York, 1933), p. 33.

An employer who is in a position to hire many men in his factory must recognize that the worker is more than a member of a factory organization who operates a machine a given number of hours each week. The worker is a member of society whose home life, religion, politics, and daily thinking are modified and influenced by his working relations; and these in turn influence his attitude towards his work and his efficiency in it. The worker is a part of the social and economic patterns which must be studied in order that the employer can adjust the worker into the industry and the industry to the worker.

It is also necessary to have parallel requirements for those who are in charge of human beings. To know why people do what they do is not enough. It is also desirable to know how to control and guide this human nature so as to use it in the best direction possible. It is, therefore, necessary to know all about personality and its development. One must try to understand the laborers' fears or dislike of the boss, their maladjustments, worries, irritations, angers, likes and dislikes.

In the educational field, there is a word referred to as rapport, the intangible response between the teacher and pupil. If a school had the best of equipment, facilities, and faculty, but lacked rapport, the school hasn't given the student the important thing he needs. The situation may be exactly identical with an employer who has fine factories from the standpoint of good working conditions, sickness and accident insurance, rest periods, good wages, medical attention, and other material in-

dustrial benefits. An intelligent worker needs emotional meaning to his work in order to be happy. It is more than just working; the work must be emotionally satisfying as well as a material satisfaction. The laborer needs a spiritual ease and a form of pleasure from his work.

Whenever the emotion of the worker is unstable, there will be maladjustments. It means there is some kind of behavior that causes friction or conflict, either within the individual himself or between the individual and the society in which he must live, whether it be of a social or industrial type.¹

In labor relations, appealing to the emotions cannot be separated from the intellectual element. The manager of an industrial concern who wants to build up an emotional state like that of a football team, cannot get a permanent result unless he gives his workers some tangible intellectual challenge on which their emotions may feed. Things in terms of intellectual appreciation of the history and traditions of the plant and the product, how the business is conducted, the results of the individual efforts and the financial outcome of the part that they as individuals will have in sharing in the company's success.²

In modern industry, with the various techniques employed, there are many, many forms of employment. However, every job within the industry is important and must be so coordinated

¹ Rosenstein, J. L., Psychology of Human Relations for Executives. (New York, 1936), p. 31.

² Tead, op. cit., p. 35.

that it operates efficiently. Every employee should be made to feel that whether he be a janitor or stenographer, his job is of vital importance to the cooperative industrial plant. Unless the worker has an emotional satisfaction that he is a part of the whole, grievances and dissatisfaction will eventually arise. Every human being wants to feel that he is doing something which society needs; a worker desires recognition.

The emotions involve various forms of stimulus and response. The numerous emotions within the human being are omitted because the purpose is to look into the main causes for poor labor-management relationship when labor has been deprived of human consideration.

Grievance is often the result of one's emotional adjustment or equilibrium having been disturbed, and this will find expression in some form of resistance or unrest.

Human relations in industry are like a machine, they need constant attention and adjustment. When the human machine has broken down, expressed in form of stoppage, restriction of output, there is a cause for it. Many of the grievances which enter the courtroom and are thrown out, because they were technically invalid, will again find expression in another form. When an engine consumes too much oil, putting in heavier oil will not prevent oil consumption, but a new set of rings will.

Both union and management have been blind to the fact a grievance is not a grievance unless it fits under one of the specific clauses contained in the union agreement. The legal approach to problems of disturbance and disagreements between

labor and management hasn't allowed the necessary study for the real underlying causes or factors. Whenever there are grievances, disproving them legally doesn't eliminate them or even statistical time study will not disprove the work schedule about which the employee may complain. The laborer is not a mechanical man. He has many variables and must be adjusted according to those flexible conditions. The individual is in a constant state of activity and is faced with difficulties to which he must adjust himself. Sometimes a sharp word from the foreman will cause a ground for grievance, if it were uncalled for, and would lead to further trouble.

Individual Differences

Why is it that an individual becomes a banker, a mechanic, a salesman, a foreman, a supervisor, a carpenter, a bricklayer, a teacher, or a farmer? Is it due to education, ambition, social status, economic motives, etc.?

Human qualities are hard to classify and identify; consequently, the job of selection is a difficult one. The wide range of mental abilities, plus the cultural, physical and social features complicate definite classifications.

There are certain recognized physical features: age, height, weight, sex, strength, and appearance. There are recognized mental characteristics: intelligence, special aptitudes such as musical ability, and emotional state. There is a wide range of cultural identity: education, customs, family

traditions of his particular racial ancestry, skills, and trade knowledge. The individual's character, his attitudes, behavior with respect to questions of honesty, integrity and reliability are a combination of the physical, mental, and cultural features. Finally, a personality, the sum total of all these characteristics, makes him different from other individuals.¹

Recognition of individual differences in the present day is a "must" for all managements. In early history, Plato believed that there were tasks which were suited for the best qualified man.² Aristotle had a similar belief in the differentiation of human abilities.³ Francis Galton, Binet, Simon, Terman, Thorndike, and others formulated tests and experiments to prove that each individual has different abilities and capacities. The later writers in the field of psychology, representing different schools of thought, tried to prove their point as to the causes for individual differences. The two most debated were the heredity and environment theories. Each of these theories has its strong and weak points, but an individual is the product of both environment and heredity.

If management is able to recognize by good judgment, interviews, aptitude tests and other reliable tests enabling him to place the applicant in the best position possible, he has progressed rapidly towards averting grievances and unrest.

¹ Yoder, Dale, Personnel Management and Industrial Relations. (New York, 1946), pp. 162-163.

² Laidler, op. cit., p. 18.

³ Haney, op. cit., rev. ed., pp. 56-58.

Because of the differences in the individuals, it is necessary to classify various jobs. The purpose of this is to determine the characteristics of a particular job, the kind of personnel which would be best fitted to a specific task in terms of the employee's vision, reaction time, rhythm, dexterity, and skill. This not only maintains good industrial relations but a high degree of efficiency.

If every job had a particular qualification, then the matter of selection would be relatively simple according to individual differences. However, man, being what he is, needs close watch over his early stages of employment until he is adjusted. In every organizational activity, it is of great importance to follow up results. For instance for a person who has recently joined a church or a similar organization, it is important that the minister or whoever is in charge of personnel service visit the stranger until he comes to feel wanted. Likewise it is necessary to interview the employee a few times during regular intervals, a probationary period, to discover whether placement proved satisfactory. If this were not done and the newly employed worker was forgotten, there might be some serious consequences. A misplaced individual is seriously handicapped emotionally, causing nervousness and other irritations. If the employee is a misfit industrially, he will become a frustrated worker and a disturbed social being. This misplacement, mentally, will end in accidents. Studies have been made to recognize which individual will end up in an accident. More and more management has come to realize that physical conditions are not

the only determining factor in accidents but that accidents are essentially psychological problems, a matter of systematic behavior of the individual, due to improper placement of the individual or carelessness. There has been much progress outside the individual but little attention to the individual himself. A new word, "accident proneness", has been added to the vocabulary of industrial operations.

In 1944 there were 2,230,000 industrial accidents according to the Bureau of Labor Statistics, which resulted in a loss of 43½ million working days. The greatest single cause lies within the individual's own psychological make-up. His psychological shortages may include lack of dexterity, slow reaction time, and emotional instability. Then accident proneness becomes a matter of when not whether. Management can either make new guards or overhaul the method of selection and proper job placement.

Every organization has a competent engineering staff, but its personnel work may be left to a misplaced supervisor. Machinery, buildings, and equipment are carefully maintained and new methods of prevention of industrial accidents and maintenance are developed, but the human assets of an organization are somewhat left to drift on their own.¹

Management must learn that accident prevention is the by-product of good selection and placement. A good trained supervisor must be able to recognize temporary emotional instability

¹ Cardsell, Alfred J., "Psychological Factors in Accident Prevention." Personnel Journal, XXIV Feb., 1948, pp. 288-293.

as it may occasionally arise in an ordinarily accident-free employee. A workman who may be fighting his job can easily be a prelude to an accident. Every normal individual has occasional lapses under certain circumstances and if these changing moods are recognized immediately by a trained supervisor, accidents are less apt to occur. In order for an individual to be safe, he must be psychologically safe.

Men who enter in an industry must be introduced to a new working condition, new policies of the management, a new society. These newly welcomed members of the industry must maintain a satisfactory relationship with others and must be developed into a very efficient, socially adjusted member of the industrial group. So it is the fundamental purpose of organizations to develop men, whether in an industry or the society. The end of all personnel activities should be directed towards the development of human qualities rather than other phases of industrial organization.

Those employees who are unhappy in their work produce less, are more inefficient and usually cause an increase in accidents. The matter of placing men in certain jobs would be more easily handled if management fitted position to the man. The Executive Job Counseling Service of New York has encouraged men seeking jobs to take the initiative in knowing what they have to offer and the position in which their talents will be most effective. In their annual of 1947, The Executive Job Counseling Service Presented these recommendations:

1. Because these men know what they want to

accomplish as a profit-making activity for an employer, they require less interviewing time when being hired.

2. When employed, because they enjoy the kind of work accepted, they do better work, more work - are more productive than the average person whose main interest is the paycheck.

3. Because a definite accomplishment is their main objective, they become more effective and skillful in observing and solving problems hindering that accomplishment - so they help to increase output, improve quality, reduce unit cost.

4. Being more fitted to their positions, they are less prone to the irritation and irritabilities which result when such is not the case. Accordingly, they are less likely to respond to agitational situations and more likely to get along well with their associates. At the same time, they become a constructive force in the organization and serve to counteract detrimental influences.

5. This job-fitness and job-enjoyment also make them less subject to absenteeism and job-jumping tendencies. They see a career in their jobs, they see their jobs as their future, and they are less likely to walk out seeking other connections. Both their stability and their loyalty are enhanced.

6. Being less subject to irritability and accompanying nervousness, they will be less liable to suffer from the diseases and accidents which too frequently accompany such conditions.¹

It is no secret that men are differentiated because of their background and training. Human beings, their emotions and behavior are not static, but are a continuous chain of reactions responding to various forms of stimuli. Grown men and women in industry cannot be molded like the child laborers of a few years ago. It takes careful study, job analysis and job selection to fit the worker in a modern industrial plant.

¹ Haldane, Bernard, "A Pattern for Executive Placement," Harvard Business Review. (Autumn 1947), pp. 653-664.

The sooner management and union realize that the individual is different from other individuals, whether an employer or an employee, the sooner it will hasten the day when labor-management relations will be based on understanding and with less friction.

Health of Labor

Management is anxious to cut the cost of production to the lowest minimum. In the past, enterprisers failed to recognize the economies to be gained through an industry-wide health program. Injuries and illness prevent efficient performance. Then arises the necessity for use of substitute workers who might be inefficient, the added expense of training them and benefit payments, and also workman's compensation. In the long run these inefficiencies and expenses amount to a high cost.

There are two major industrial health hazards: industrial accidents and occupational diseases.

In 1940 it was calculated that 17,000 workers were killed, 60,000 were permanently maimed and 1,350,000 others were temporarily disabled. The total wage losses, medical expense and insurance costs figured approximately \$700,000,000.¹

Studies made by the National Safety Council reveal that accidents are of two types, personal and impersonal. Personal causes are due to individual differences, intelligence, temper-

¹ Yoder, op. cit., p. 479.

ament, dexterity, physical defects, etc. Impersonal causes are due to improper arrangement of machines, unsafe apparel, defective agencies, poor light and ventilation, and improper guards.

Human efficiency is dependent upon good health. Alert management should strive to maintain a healthy working force both physically and mentally. Health and medical service should not only prevent unhealthy people from entering an industry but also keep the workers healthy while they are actively employed. Some of the necessary health activities involve: (1) a physical examination before employment and regularly thereafter, (2) hospital service, (3) medical treatment of illness for prevention of contagious disease, (4) sanitation, (5) health education, (6) clean and well ventilated rest rooms, (7) shower rooms with washing facilities with adequate soap and clean towels, (8) first aid and dispensation, and other possible programs.

The purpose of these services naturally is for making and maintaining healthy and efficient workers and also for the company. A program of this sort may be specifically endorsed to reduce absenteeism due to sickness or minor industrial accidents. This will be a form of savings to the company.

It is a proven fact that an industry saves money by spending on health and safety programs. At the Gray Research and Development Company, a top-to-bottom scientific paint job was done in their plant located at Elmsford, New York. Contrasting paints were applied to the working parts of the machines. This

reduced eye strain and worker fatigue, the firm proclaimed. Other benefits which resulted were less idling, sharp decrease in time-off, fewer accidents and injuries, better finished work and a drop in labor turnover.¹

A mid-western chemical company broke down its actual cost and found it was being repaid fourfold its expenses for industrial health. An employer of 1,225, this company figured the annual cost of its plant health program at \$21,335, including salaries of doctors and nurses, medical supplies, light and heat, literature and safety awards. But it calculated a total saving of \$87,032 resulted from a sharp drop in the accident rate, savings on insurance premiums, reduced absenteeism and reduced labor turnover.²

The Industrial Hygiene Foundation dispatched a Chicago industrial health consultant, Dr. C. O. Sappington, to get a slant on what is happening across the nation. His findings after sampling 276 firms in 33 states employing 1,185,000 persons were:

(1) Up to 54% of these companies were operating in an industrial program, up from a probable 20% ten years ago.

(2) Companies involving 10,000 or more employees, 88.2% had industrial health activities, only 51.2% of plants of 5000, employers promoted such programs. Weakest among these employing 1500 to 2000 workers, with 24.3%.

¹ Cassell, James H., "Personnel in the Pink," The Wall Street Journal, November 21, 1947, p. 1.

² Ibid., p. 1.

- (3) War sped the industrial hygiene up 25 years.
- (4) Worst health menace was the air contamination.
- (5) Per capita cost of industrial health amounted to between \$10 and \$12 annually in most plants where satisfactory programs were set up.¹

CAUSES AND EFFECTS OF POOR LABOR RELATIONS

Most management feel that rules and regulations are the solutions to settling the problems of human relations in industry. These problems are largely emotional and rules cannot free a man from his emotional blocks. The impulsive activities such as stoppages or grievances are the indirect result of frustrations.

When employers say that rules and regulations can be used to settle problems in labor relations, they will always be baffled by human behavior. Nor can legislative acts be passed so that it would be possible for a sick person to be free of pain or fever.

The steam boilers are provided with a safety valve which automatically releases pressure before its danger point is reached. But human beings are not equipped with such mechanisms and consequently explode with destructive, aggressive, and uncontrolled behavior as a safety valve.

It is of great importance to find the motives or conditions which really underlie the emotional disturbances or

¹

Ibid., p. 4.

grievances in order to prevent any future occurrence.

The basic causes are economic, social and psychological. When workmen find their income inadequate to keep their families in comfort and decency, they will fight the employer who seeks to reduce wages or who refuses to pay what they feel is a fair wage. Their grievances may lead to all sorts of consequences that are not always predicted or discerned at the beginning of the struggle. Their goal is a better life and security.

Technological improvement which may temporarily create unemployment has a fearful effect upon the worker. The employer will say that in the long run it will create more jobs, but in the meantime the workers' families must eat. Whenever man's motives or drives such as thirst, hunger, rest, sleep, etc., are thwarted, he acts. Conflicts arise when wages and prices do not change simultaneously.

The modern man is not a happy man, he does not feel himself a whole man. His daily, monotonous, repetitive motions have broken down his skill, his health, and his mind. He is caught in the vise of mass production, division of labor, specialization of skills. He is a human cog tied to a machine he does not own and which he can operate only when someone else gives him permission. And permission flows from demand and supply over which he has no control.

The frustrated worker had to seek fulfillment in some way. In the union he found strength, after having been thwarted and frustrated. However, in uniting with his fellowmen, he was met

with opposition, spied upon, fired for joining a union and frequently boycotted in the trade. This right to associate with fellowmen for economic purposes was denied by the employers. The laborer had a property right to his job; he needed it for security. Until the seniority system was in actual operation, the ever haunting nightmare of insecurity persisted.

As business grew in size, there resulted an ever growing distance between the worker and the manager. As more men worked for the employer, less contact occurred between labor and management. A process of authority began at the head office, from which supervisors and foremen carried orders down to the rank and file of workers. There were ambitious young leaders, irresponsible, and bossy, who created psychological problems among the men.

Grievances are a cumulation of repeated aggravations. It is a personal thing between the foreman and a worker. It is an emotional disturbance which has long since ceased to play an appreciable part. An employee who wants a show-down sooner or later, will usually end up being fired and a general feeling of ill-will results in the whole shop. This little fuss will mean a beginning of several more grievances and unrest because the foreman has lost his dignity by losing his temper. In order to keep his prestige, the foreman will probably resort to extreme measures to show his authority.

Strikes may arise over the large questions such as wages and hours, but they never were the primary cause of the dissatisfaction for which men strike. Men get peevish over repe-

titive aggravations in what workers regard as lack of consideration for their welfare, their comforts, their rights and privileges. What is really involved is the feeling, although they do not know it; it would not be a good issue to put to a board of arbitration. Labor and management can fight over tangible things which are specified in the labor laws and contracts. Imagine how it would look if a number of tough machinists would come to the board saying that their feelings were hurt?

Bad policies on the part of management are more an inherent cause for disputes. Of course, wage disagreements are genuine disputes when the employees and employer are in opposition even though there may be other causes. But wage disputes are in a sense effect and symptoms rather than causes. It is a release for tensions and resentments built up within the worker rather than in financial relations. Strikes are then a way of a safety valve, even though a complete victory could not make good the income they lose by striking.

The bulk of many union contracts take up matters on the working rules and their changes, firing and lay offs, promotions, the establishment of wage differentials, and the settlement of grievances. Disputes arise because of the unfair way in which managements handle their contractual relations with workers. "Management, especially the subordinate local managers of plants and division, have chosen this area as the basis for guerrilla warfare against the unions. They tend to turn every single question of contract interpretation into a test

of strength."¹ This only makes the worker confirm his belief of protection which the union gives him from unfair managerial tyranny.

Another cause for grievances, other than personal relationship between the worker and the foreman, is the traditional mass production, the assembly line. The worker is confined to one motion which causes fatigue and other psychological and physiological disequilibrium. It finally ends in resentment. In an assembly line the workers are chained to the speed of the slowest man and not at his own speed and rhythm. Then he is limited to an insignificant task which he never can identify as his own personal product. Lack of interest is inevitable.

The whole psychology of the assembly line is that the human being is a machine tool designed for one purpose only. Mechanically it is good engineering but poor engineering judged by the standards of human relations.

In 1946 the major controversies were over the wages and the prevailing price level. There were 4,985 work stoppages which involved approximately 4.6 million workers directly. It consumed 116 million working days or three times that of 1945. There were 31 work stoppages involving companies of 10,000 or more workers affecting 2,925,000 workers. This time lost was estimated at 1.4 per cent of the working time.²

During the first six months of 1947, there were more than

¹ Drucker, Peter F., "The Way To Industrial Peace." Harper's Magazine, No. 1158, November, 1946, p. 388.

² Crowther, Don Q., et al., "Work Stoppages Caused by Labor-Management Dispute in 1946," Monthly Labor Review, Vol. 64, May, 1947, p. 780.

2,300 work stoppages recorded. About 1,580,000 workers were involved in plants and establishments directly affecting 23 million man-days. The primary issue was again wages. A preliminary estimate of the year 1947 by the Bureau of Labor Statistics predicts 3,600 work stoppages affecting 2,200,000 workers, half as many as 1946. Toward the end of 1947, the strike issue arose because of the Taft-Hartly Act of 1947.¹

The Pullman strike of 1894 is an example, perhaps an extreme one, of how a little consideration on the part of George Pullman could have averted a strike.

When the growth of business necessitated expansion of Pullman's production facilities, he built a model town for the thousands of workers near the new factories. He felt that a good environment would ellay labor unrest. Pullman built a number of houses, established gas, water, and sewer utilities, constructed streets and public buildings. There was also a playground; a dairy farm having 100 cows furnishing milk, butter and cream. Before the depression there were some 12,500 people and after the depression only 8,000.

George Pullman managed his town with rigid paternalism, having full control through the corporation over ell the public utilities. All town officials were appointed by the Pullman Corporation, the school board were members of the company through election. He had influence over all the activities of the town.

Prior to the depression of 1893, the United States Strike

¹ Monthly Labor Review, Vol. 66, January, 1948, p. 62.

Commission brought out facts of unfair labor practices of the employer. During the depression preference in jobs was shown to Pullman renters. However, rent was high, including charges for street, park and sewer expenses, which averaged from 20 to 25 per cent more than Chicago and surrounding communities. Gas was sold for \$2.25 for 1000 cubic feet as compared to \$1.25 in Chicago.¹

The rent was first deducted from wages, later prohibited by law. Then the employees were paid in two checks, one was to be turned over directly to the company. There were many other restrictions and rules which were to squeeze every penny from the workers. Churches were organized by the people and services were held in the public buildings. There was the Green Stone Church which was rented only by the Presbyterians because of their ability to do so. Once the annual rent was reduced from \$3600 to \$1200.

In the depression of 1893, wages were cut without consulting the employees; they worked under reduced scale from September 1893 to May 1894. How extreme was the hardship during this period may be seen from the fact that some pay checks, after rent deductions, were as little as two cents; but even under these conditions there was no strike. In May 1894, a committee was sent to George Pullman, who was rather unsympathetic on the wage scale but promised to investigate certain shop abuses. Still there was no strike. But on May 10, three

¹ Guinness, Ralph B., "Benavolent Pullmanism." The Sociel Studies, Vol. XXXVI. Oct., 1945, p. 256.

of the committee were discharged. Those discharges were the spark that touched off the great railroad strike of 1894, the proportions of which are now historic.

It was not the wage scale that caused the strike; the United States Commission found that a "slight concession", not in wages, but in rents would probably have averted the strike. What did cause the strike was the disregard for human personality involved in the act of discharging the committee. It was not merely that the avenue of relief from economic hardship had been closed; it was that the employees had been disregarded as dumb brutes, without intellect and will, to be moved about as the chattels of the Pullman Company just as it moved rolling stock.¹

There is a lack of general consideration, understanding and a lack of information among employees, employers and the public. Most newspapers and magazines present only the spectacular and unusual happenings. The public is led to believe that labor is the cause of all disputes and that strikes are all instigated by employees of the company. True, labor has many faults due to poor leadership, but it has no monopoly on poor leaders. The press seems to impress the public by the number of strikes which occur during the year. Strikes are news but peaceful negotiations aren't considered as news. During the years between 1935-1939, there were only 0.27 per cent of estimated working time lost resulting from labor-

¹ Fitzpatrick, Bernard H., Understanding Labor, (New York, 1945), p. 2.

management disputes and only until 1946 was there a percentage of estimated working time lost greater than 1 per cent, and that was 1.43 per cent.¹ During the year of 1947, the estimated total employed were around 60 million, and out of that number there were only 0.4 per cent man-day idle during a month or the year.²

The press has taken to task the one or two per cent of the laboring men who are striking but omitting the 98 per cent to 99 per cent of the workingmen who are on the job. When newspapers report labor disputes, they seem to stress that a strike is the general rule of a labor union rather than an exception. This type of news creates an unfavorable public opinion against labor and a favorable one for management.

For example, back in the winter of 1946 when the United Mine Workers went on strike, the papers, radios, and movies blasted John L. Lewis and his miners up and down for the high handed power in the work stoppage. Was the public aware of the hazards of mining? From the U. S. Bureau of Mines, accident records in 1945 showed that for every four miners injured, there was one injured in the factories; twelve killed in mines for every one killed in factories.³ A miner, John Allshouse, said, "People seem to think miners are some kind of animal - underground rats, they call us - but we're just like other

¹ Monthly Labor Review, Vol. 66, March, 1948, p. 365.

² Ibid., p. 325, 365.

³ Labor Monthly Survey, American Federation of Labor, Vol. VII, December, 1948, p. 1.

people trying to earn a living. Coal mining is all right - but you can't always keep working."¹

The papers for the most part present views which overlook the human interest side of the laborers. The news of the laboring man is that of a man on strike or carrying a sign and picketing. One cannot blame the miners for the demands they have made in these past years. It is hazardous, depressive, and unpleasant. If mining offered prosperity with a security for the future, why is it that men of the mines do not want their sons to be miners?

Labor turnover is not always due to poor labor-management relationship. Seasonal fluctuation, technological changes, cyclical changes and cultural changes due to fashions are causes for labor turnover. However, much of the employment instability is due to the fault of the individual worker and poor management on the part of the employer. A number of emotionally unstable persons, misfits, who cannot get along with their fellowmen, contribute to a large number of turnovers. Also, another reason for instability is caused by those who do not have the proper educational or vocational training for a particular job. Research has proven the value of education in labor stability.

When management has a poor or ill-staffed personnel for hiring, there will be a high rate of turnover. Money well spent in this department will, in the long run, prove to be economical. In the process of hiring, if the personnel department is

¹ "The Coal Miner Speaks," Fortune, March, 1947, p. 97.

alert to weed out those maladjusted workers, the cost involved in hiring, training, and placing would be minimized.

The cost of labor turnover is difficult to determine depending upon different firms. The hiring cost will include the advertisement, selection of applicant and other clerical details. Upon hiring the new member must be trained for his new job and environment. Along with new employees there will be a certain amount of waste and breakage costs. Where labor turnover is rather high, the loss of interest on idle machinery must be considered a cost to unstable labor. Finally, there is the fact that inexperienced employees will require more supervision and this excess time is an additional cost.¹

Where there is an excess of turnover, morale of the employees is low. The matter of morale is largely an emotional state. It is the state of mind of the whole group of workers and the sum total of the individual interests and attitudes towards his job, his fellow worker, foreman, supervisor, and his relationship to the organization.

In order to have a smooth operating team, whether it be labor or management, morale must be high. A high morale is made up of small things and can be lost due to small things. Whenever the foreman praises his men by words such as, "Nice job!" or "Very good!", the worker has been recognized. Men are all attention-conscious and when the foreman doesn't give those men due recognition, an emotional block or frustration will

¹ Ford, Adelbert, A Scientific Approach to Labor Problems. (New York, 1931), pp. 183-184.

arise.

Recalling the changes which have taken place in industrial development through the decades, it has been an evolutionary process. Society evolves from one stage to another gradually. The relatively independent workers have little by little adjusted themselves to the drastic changes between management and labor. The more impersonal element has been creeping in the industrial system. Labor is always resisting the changes that are imposed upon them from the top management whom they have never seen. Poor labor relations are caused by introducing radical changes without consulting the workers. Men are creatures of habit and it takes time and training to change their ways.

Any successful changes within a shop must come from the workers, it cannot be imposed upon them without producing ill effects. It is when the union and management cooperate toward improvements and more efficient production methods, that the relationship becomes a unity. Union participation in management is the greatest benefit to a company. The workers know, through experience, which improvements ought to be put in, where production methods could be more efficiently adjusted and conditions in the shops could be improved. We must give credit to the unions for their ability to give suggestions; management doesn't know everything. If it knows how to handle people and cooperate with the union and its representatives, the cost of production will decline and production will increase.

The idea of union and management cooperating is not socialistic, but a democratic procedure. If management accepts

the union as a bargaining unit, as a natural part of industrial phenomena, a union can enjoy a freedom in which it can go on the offensive to find solutions to new problems. If the unions are constantly exerting their energies defensively, it is with fear that they will resist changes forced upon them.

An example of what a cooperative program can do is well illustrated by the Steel Workers Organizing Committee. There was one company which was plagued by "alligator hide", a rough surface on its finished products. This imperfection necessitated scrapping 60 per cent of its production and consequently threatened its operation. Management, unable to remedy the situation, brought in a consultant metallurgist at the expense of \$500 a day. He remained ten days and gave many suggestions which the company followed religiously. However, there were no effects.

The union was eager to cooperate and immediately formed a committee of the most experienced men in the plant. It met with the management and all investigated the spoiled products. Finally an old, experienced hot mill man said he knew what the cause was because he had seen the "alligator hide" many a time before. It was caused by the pairs soaking too long in the pair furnace. When the superintendent inquired what caused this delay, the answer was due to the picklers working short-handed and not getting them back fast enough to keep the furnace going. The superintendent didn't heed the suggestion. The experienced hot mill man bet a week's wages he was right. They took him up on it. Three additional men were placed on

the pickling crew, and the imperfection in the sheets was quickly remedied.¹

This was only one of the many suggestions offered by its workers which the company followed. The result was large savings and increased productions.

The clothing industries have come a long way because of the union-management cooperation. Unless the relationship between labor and management is one of "working together," the continuity of employment will be short lived.

When management has production experts to study and find ways and means to improve shop efficiency, the superintendent must work with the union stewards and show them how such improvements would benefit the workers as well as management. If changes are put in without the knowledge and approval of the workers' representative and the workers themselves, grievances will follow. Selling the idea of new changes for the benefit of all should be the approach. It takes time and time is an important factor for integration of changes.

In summarizing the causes for poor labor relations, the most important cause is treating workers as though they were not human beings. The all important human element is overlooked. Insecurity is one of the vital reasons why labor is always striving for economic stability. Grievances which occur frequently or occasionally but are not handled immediately will result in work stoppages and accidents. Bad policies on the

¹ Ross, Irwin, "Labor, Capital & Co." Harper's Magazine, September, 1941, p. 417.

part of management leads to resentment and hardship on the employees. When top management doesn't consider human relations as important as production, marketing and finances, or when policies are put into effect without suggestions from supervisors and foremen, good will cannot exist.

Having poor supervisors and foremanship always create friction between labor and management. If management had trained men or those who have won the foremanship by service and seniority, many of the grievances could be avoided. Today supervisors and foremen occupy the middle position between management and workers. They represent management and the laborers are aware of the attitude communicated through their immediate supervisors.

Specialization and mass production have put the tasks of skilled workmen into a simple operation and consequently they are lost in the whole process. Lack of interest results from improper identification. Labor resents unfair treatment on the part of management. Section 7 of the National Labor Relations Act of 1935 has specified certain acts as unfair labor practices. Consideration could prevent many of the underlying grievances. Low morale in the plant is caused by lack of interest, identification, unfair treatment, poor foremen and supervisors. When morale is high, labor relations are high. Improper job analysis and selection are causes for poor relationship. Men with poor health and poor abilities are liabilities to the company. Management cannot expect to have high morale and satisfaction among workers unless there has been selection

of right workers for the right jobs. When employees do not know what management is doing or expects to do, there will always be hopes, fears, and anxiety among workers. Lack of information about company policies, the importance of individuals' roles in the company, finance, etc., are factors for misunderstanding and doubts. Finally, but not by any means the least, changes without notifying employees in advance will cause discord. Frequent changes or radical changes will cause psychological disturbances which lead to grievances and further instability.

It is needless to repeat the effects of poor labor relations. Frequent labor turnover, high cost of production, stoppages, accidents and inefficiency are but a few results of poor labor-management relationship.

WHEN WORKERS ARE TREATED AS PEOPLE

The principal interest and concern of any company is its people, the workers. Without people capital cannot exist. The industrial world recognizes the benefits of well trained engineers, but engineers without human understanding are liabilities. "Carnegie Institute of Technology revealed by research and study that 13 per cent of a man's success depended on his technical knowledge, while 87 per cent of his success was due to his skill in human engineering and the ability to lead people."¹

¹ Stowers, Harvey, Management Can Be Human. (New York, 1946), p. 118.

There will be harmony only when workers are treated as people and given a dignity as individuals. Lack of human understanding stifles enthusiasm, initiative, ambition, faith, confidence and loyalty.

The human element in industry has been neglected too long. The basic Christian teachings are founded upon the worth of the individual's well being, his freedoms, his importance and his relationship to fellow-man. The teachings of the Master was an everyday affair, not a few days of the week. It is when people try to understand human relations that the Golden Rule begins to make real meaning.

The old saying "united we stand, divided we fall" is an example of how labor relations are staged today. The great forces of capital have tried to prevent labor from uniting. Whatever concessions the laboring men won has been through the hard way. He wasn't smart like the owners of industry who united for the benefits to themselves. The owners are coming to know what the word "share" means. Now labor has made itself equal, if not stronger, than the capitalists. Labor can demand certain rights and privileges, for it has a powerful weapon which can force, when necessary, the management to come to terms. That great weapon is the strike. If management had, in the first place, recognized their employees as people there wouldn't be this strife. Instead of preventing the workers from organizing, management should have encouraged it. The most effective and efficient organization is one which is well organized within. Some of the same results which were preva-

lent in the days when the capitalist abused his powers with the public at his mercy can be found today. Within the labor organization, unionism is found at its worst. Instead of trying to organize for the benefits of workers, there are some labor leaders who are thinking only in terms of union powers. They are trying to get all they can at the expense of the employers. This attitude has been that of the management who was in power to invoke such dealings when the chips were down on labor.

These people who are thinking only of themselves and not in terms of cooperating with others will defeat themselves. Unions and capitalists who are working for their own ends will always find strife and misunderstanding. It is only when they visualize the whole picture, the roles which labor and management have in their respective places in the entire operation, that there can be unity.

Management must realize he is not independent but dependent on other men to help him. Business is primarily people, for it is a partnership between management and men. A successful business results when the organization is continually welding human relationships in a strong understanding unity. In order to promote such a sound human understanding, it must be through cooperation with others and by regarding each worker as a person. When the workers have faith in themselves, their employers and their organization, the accomplishment of industrial peace will be an actuality.

What are the fruits of industrial peace? When management has humanized their industry, work stoppages, labor turnover,

low morale will decrease to a minimum. There will be constructive bargaining, maximum production, lower cost of production, a higher standard of living and contented people.

The Standard Oil Company of New Jersey is one outstanding example of cooperation. It has had over 50 years of industrial peace. This peace was the product of two great strikes and three men.

On April 20, 1914, a strike was called by the United Mine workers against the Colorado Fuel and Iron Company. The strikers were promptly evicted from the company houses. In an adjacent area a group of families pitched their tents which was called the Ludlow Camp. That day the state militia fired upon the tents and killed a number of strikers, their wives and children.

Throughout the nation people were horrified at the tragedy that occurred. Among them was John D. Rockefeller, Jr. whose family owned a large share of stock in the Colorado Fuel and Iron Co. He resolved that this kind of incident must never happen again in any company in which he had an interest. He called in Mackenzie King and Clarence J. Hicks, and the three went to Colorado to make a personal investigation of the massacre.

In the process of investigation, a plan was drawn up for employee representation. The "Rockefeller Plan" called for a joint conference of employees and management in equal number. Joint representation was to exist on all the various levels of operation and was to work up to a joint conference between top

management and employee representatives. Through secret ballots the representatives were elected and would handle every type of grievance that might arise, including wages, hours, safety and health.

Back in 1916, there was another great strike in Bayonne, New Jersey. Men were killed and many more were hospitalized. One of the demands of the workers read, "We request humane treatment at the hands of the foreman and superiors in place of brutal kicking and punching we now receive without provocation." A. C. Bedford, then president of Jersey Standard, became interested in the plan introduced by Hicks and requested him to come and introduce it at the Bayonne plant.

On March 27, 1918, an initial election was held at the Bayonne plant and the plan called Industrial Representation was established. Matters of good wages and hours, disability payments, and old-age annuities became a fixed corporation policy. Machinery for handling grievances was immediately set up. Workers were encouraged to settle personal grievances with the foreman on the spot. It may be a little thing but like a snowball, it gets bigger as it rolls. If the workers and their foreman could not settle a problem, then the workers' representative was called in. If the three couldn't come to a settlement, the workers could appeal to the top of the management. With such privileges, tensions began to relax in the New Jersey plants.

When technological improvements were added, the displaced men were transferred to other parts of the plant. During World

War II, the Jersey Standard was generous to its servicemen. All employees with more than a year's service got full pay for the first two months in the Army or Navy; thereafter, if they had dependents, the company helped make up the difference between civilian pay and service pay with an amount not exceeding half of regular company pay.¹

When Stuart Chase visited Bayonne, Bayway, as well as Baton Rouge, his outstanding impression was the lack of human tension. The men seem to get along with toleration, and he failed to detect the scent of grudges or of people pushing other people around.² He remarked:

As I walked to lunch at the cafeteria with the superintendent, it was "Hullo Bill, Hullo Tom, Hullo Sid," all along the line, with Bill in overalls, Sid sporting a Phi Beta Kappa key.

First and last, I have been in a good many large industrial plants. I can remember none with a more friendly atmosphere. I watched managers and superintendents for a hint of paternalism or phoney good fellowship, and found none. They seemed to accept their men the way a football coach accepts his team: "Maybe they aren't quite as good as I am but they do the playing; where would I be without them?"³

What does Jersey offer to their employees in security and benefits from accidents and sickness? In 1936, the Jersey company promoted its thrift plan in the affiliated companies (revised in 1945) which provides for both annuities and savings through joint contributions. The sum paid by the participating

¹ Chase, Stuart, "A Generation of Industrial Peace," Standard Oil Company of New Jersey, c. 1946, p. 26.

² Ibid., p. 34.

³ Ibid., p. 34.

employee is determined by his earnings. "For each \$3 you contribute to annuities through the plan, you will receive back \$2 annually every year of your life commencing at age 65."¹ It is also possible for an employee to save money under the plan up to 10 per cent of his earnings. Employee benefits are similar to others in American industries, though the Jersey Company believes theirs is better taken as a whole than anything set up by other big companies.

The human factor of the Jersey Company is the basic reason why peace has existed.

The hard core of the relationship between cooperation and personnel is practical enough, but it manifests itself in a man's explanation that his wife's gall-bladder operation was paid for by savings towards which the company had contributed; in another man's pointing out, rather confusedly, that "when I was overseas in the war, the oil burner wasn't working and my wife called up the company and someone came down and fixed it. And it wasn't even an Esso burner."²

Another outstanding example of when labor, treated as human beings, responded with increased productivity, increased sales, and in morale was that of the garment workers under Arthur Nash.

In 1918 when Mr. Nash purchased the business he was shocked to find what the pay-roll for his workers was. Women were paid from \$4 to \$7 and skilled men were receiving \$18 a week. At the end of that year, the company's balance was \$4,000 in the red. Arthur Nash, therefore, decided to get out of the

¹ "Thirty Years of Labor Peace," *Fortune*, November, 1946, pp. 169-170.

² *Ibid.*, p. 167.

business, liquidate it, compensate the stockholders out of the proceeds, and move on a farm with his family.

Before closing, he decided he would do something beneficial for his employees. Mr. Nash called the few workers he employed together and explained that the Golden Rule was to be the only governing law of the industry. He said to them, "If I were in your place and you were in mine, what would you want to do?" This was to be the policy.

The first move was by Nash. He immediately raised the lowest paid lady by 300 per cent, and others up to 50 per cent. At the time he realized fully he was sacrificing the farm he contemplated buying. But his ideal of brotherhood was a reality to him, and he lived up to that rule.

In July 1919, Mr. Nash spent \$50,000 to move his factory into a larger building about seven times the floor space of the old one. He again called his workers together, told them the expense involved by moving, but he did it because of his confidence in them. Because of the unrest and strikes which were prevalent in the surrounding area, he asked them to bring their friends and train them to do the same work that they were doing. The response was tremendous; the working force increased by 600 per cent and production over 1,000 per cent without a single line of advertising.

Something had happened to the company; suddenly, the workers increased their productivity by 200 per cent. People were not seen loafing, and there was a spirit of the Golden Rule within the garment factory. When the company took an inven-

tory at the end of 1919, in spite of higher wages and the expense in moving, the net profit amounted to \$42,000 on an investment of \$60,000. Immediately the wages were raised again. The actual condition at the time was that the company was paying higher wages, selling the products at a lower price and making a greater profit than any of their associates in business.¹

In February of 1920, the company saw that the cost of making a suit had decreased and that larger profits were being realized. Mr. Nash again called his workers together and explained that he wanted to present a profit-sharing plan for arriving at a just wage. He told them that he knew of no other way to solve the problem. The workers voted to adopt the system. This was only the beginning of goodwill and prosperity. Employees were thinking in terms of the Golden Rule and actually practicing it. Many workers signed a petition asking that sharing of profits be distributed not according to salary but on the basis of length of employment. These people were thinking of those elderly ladies who were too old to learn other phases of work which would merit higher wages. The rewards these men received were greater than large sums of money.

Management has yet to learn what the Golden Rule means. As long as employers use mule-driver tactics on their workers, they will turn them into mules. Christianity has been set aside in a small corner called the church. People left it there

¹ Nash, Arthur, "An Industrial Miracle," Excerpts from lectures delivered at the Massachusetts Institute of Technology, Cambridge, Mass., 1923, p. 9.

when they became employers; the Golden Rule had no place in business. Capitalism thrives when management shares its fruits with labor. As Arthur Nash said to his workers: "I did not make this money, you did not make this money, we did it together."¹

Receiving monetary reward is important, but security in the future is more important. When a man has a sense of security, a steady job, the potentialities of that person are great. He can buy his own home, plan for the education of his children and plan for numerous other things. Proctor and Gamble, not having had a real strike in 60 years, point to their guaranteed job as the greatest factor in good relations. Before an employee becomes eligible for this plan, he has a probationary period of two years during which he proves his value to the company. The guarantee is for 48 weeks' work a year in the job assigned. With various modifications Proctor and Gamble's guarantee has been in force for 25 years. More recently it has been able to stabilize the workers' incomes. Proctor and Gamble have accomplished this by producing for a consumption line rather than a buying line. They have discovered that purchasing may not be even but the goods used are consumed evenly. The company has been careful in distributing their products. In order to prevent overbuying and the creation of peaks by dealers wanting to stock up when they thought prices were low, a rule was put into effect that orders would be ac-

¹ Ibid., p. 20.

cepted for no more than 60 days' supply at a time.

Hormel has a broad guarantee plan. During the 1946 meat shortages, Hormel frequently found itself writing a full weeks' pay check for employees who had been given only a few hours' work.¹ Along with their guaranteed-annual-wage plan is their profit-sharing scheme that operates alongside a system of individual bonus for production beyond scheduled quotas. The guarantee assures all workers that they will receive every week of the year a check amounting to at least 36 times their basic hourly wage.

The Munn-Bush plan is another of the rare guarantees that provide the certainty of 52 checks for nearly all of its employees. The amount of the check fluctuates with the sales of shoes. The total payroll for the production workers is fixed at 19 to 25 per cent of total sales, varying with types of shoes.

There are some 196 operating guarantee wage plans binding a total of about 500 establishments. But the known plans covered no more than 60,000 to 70,000 workers, or about one-tenth of one per cent of the country's labor force. Of those covered, more than 90 per cent worked in the consumers' goods and service industries.² A major question of guaranteed annual wage is whether it would raise, not merely re-shuffle, the national total of real income through increased work and in-

¹ "The Guaranteed Wage," Fortune, April, 1947, p. 121.

² Ibid., p. 120.

creased goods produced. If it doesn't, guaranteed annual wage merely takes away income from consumers and transfers it to the protected worker. However, if the plan calls for more work, then the real purpose it promotes merits the guarantee.

The experiences of those who have made a successful attempt of an annual wage, or guarantee similar to such a plan, have created conditions as these:

- (1) Improvement of labor relations - minimum of strikes and also raising the productivity of the workers.

- (2) Reduction of labor turnover - results in reducing costs.

- (3) Greater flexibility of the company's labor force. Technological improvements comes in but the workers needn't fear being laid off; instead he would be shifted to another job.

- (4) Efficient production techniques - no speed-ups or out-downs due to stable labor force.

- (5) Provided the workers more regularity in purchasing, planning, etc.

Guaranteed annual wages does give security, and workers prefer this over higher wages. Given a fair and just wage with security, the industry will contribute towards greater productivity and stability in the economy of the United States. In the future, the annual wage may become a common demand by the unions. Those industries which are not in the position to offer guaranteed wage should gather facts and figures to show why it would not operate in their concerns. Every industry

has to meet its own variables in production, sales, and future demand in order to stabilize its operations. Research and studies should be made to stabilize a year round employment.

The Harvester Company has long worked for stable employment. A great progress has been made in their efforts to offset the natural seasonal fluctuation of the business. The company has worked toward developing overseas business, added new products to its line, located warehouses throughout the country so that shipments may be made regularly from the factories, studied the agricultural demand, and made careful plans on the part of production.

People are not machines but like machines they will wear out and have occasional breakdowns. In order to care for them properly, hospitalization, group insurance, benefit payment, etc., should be provided. Industries make allowances for depreciation on machinery; workers need the same. In Philadelphia, some 14,000 International Ladies Garment Workers Union receive free medical service which is paid by 210 manufacturing units. The clinic is staffed by 200 physicians. Back in 1942, through collective bargaining, it was agreed that three and one-half per cent of their gross payroll would be deducted to provide for the union health and vacation fund.¹ There are many other firms that have provided such services to their workers. However, all of these things are a direct challenge to management because management must take the initiative for

¹ Business Week, March 14, 1944, p. 102.

developing the relationship between employee and employer.

The American manufacturers are remembered as those who initiated mass-production by the assembly-line, standardization of parts and high-cost machine tools. Highly skilled engineers made this possible. Machines alone do not give us mass-production, it is achieved by both machines and men. In the process of perfecting the mechanical operation, there has been little success in perfecting the man who represents the operator. Something must be discovered to open the road for the problem of the human element in industry. With the coming of mass-production, there has been an unbalance between labor and management. Management knows he has contributed much to society by getting more products on the market at a lower price. The labor on the other hand has lost sight of social usefulness of what he does.

Henry Ford II stated in a speech before the Society of Automotive Engineer in Detroit:¹

In a free, competitive Democracy, mass production is a tool for raising the standard of living by reducing costs and thereby bringing more and better products within the budgets of more and more people. We have not yet solved the problems of mass-production, for our failure in human engineering is creating waste and inefficiency which handicaps the very purpose of mass-production - lower cost.

I do not have the answers to this problem. But I am sure that workable solutions can be found if we will only bring to it the same insistent objectivity and willingness to experiment which you and others like you throughout industry have given to the mechanical difficulties in mass-production.

¹ Ford II, Henry, "The Challenge of Human Engineering," Vital Speeches, February 15, 1946, p. 273

Modern man, who has done so much to reduce the manpower loss caused by disease, can certainly hope to reduce the manpower loss from industrial conflict.....

When the worker is treated as a person, given the dignity of an individual, his willingness to cooperate is inevitable. When management and labor realize that they are dependent upon each other and partners in the business, there will arise a sense of responsibility; but it is the responsibility of management to build men and knit them together through sound human understanding.

CREATING BETTER LABOR RELATIONS

There is a need today for mutual understanding and tolerance between all institutions in a democracy such as ours. It is the formula for a constructive development of goodwill and prosperity. The delicate problem between management and labor can be one that is hostile or diplomatic. It is well to remember that the right of employer and employee to disagree is a guarantee of the democratic freedom which we possess. But possession of such rights does not mean the right to use them irresponsibly, for the more powerful any company or union may be, a greater care must be taken to restrain from actions that would interfere with the common good.

It is therefore for each individual to add his contribution toward understanding and tolerance and to seek to build up a genuine framework for industrial democracy. When minds

and tempers flare, resulting in hasty and destructive legislation, forcing issues, this cannot and will not cope with the delicate problems of human relations.

Our weak link in understanding the whole realm of the human element in labor relations is the biased news to the public. Newspapers must please their patrons. Their advertisements are not paid by the employees, it is management who spends thousands of dollars each week for advertisement. So the color of the news is not for labor, but for management. Radio, another means of communication is again too one-sided. The news commentators and analysts are more of the sensationalist type rather than reporters of news as it is found. The public has become blind to the fact that there are two sides to every question and issue. It is wrong when news becomes a one way traffic; furthermore, it is undemocratic.

There seems to be a misunderstanding as to the position of labor and its power today. The economic history of the United States records the operations of how management combined into units, and organized to exploit labor and the consumers by fixing prices and restricting output. The public was somewhat satisfied with anti-trust laws directed toward monopolistic practices. However, the public isn't aware or interested in many of the anti-trust suits which are pending investigation in our Federal courts today. But when there is a labor strike, that is news, a headline in all newspapers. Do the newspapers give a by-line for peaceful settlement attained each year? Between four and five thousand labor contracts are negotiated

each week in a peaceful manner, or about 54,000 a year, without stoppages, but that isn't considered news. It is those few strikes which are given front page attention which presents the public one-sided half-truths. Capitalist controlled newspapers have diverted the thinking away from management against labor. When free people are not treated fairly, they will join hands and make themselves large enough so they can't be harmed.

If the public would become aware that the workers belong to the same free individualistic American society of which their bosses are also citizens, they would be less apt to pass unsound judgment. The "American way" is basically a way in which men and women are able to better themselves, to improve their standard of living and provide better opportunity for posterity.

With two great powers organized, management and labor, it has become a serious problem when one or the other refuses to cooperate. It is also serious when the public does not know the "whys" and "whereafores" of the issue. How can we arrive at a keener insight on this problem of creating healthier labor relations?

Strikes affect the public, not just the workers and their boss. Young men and women preparing for their life's work in schools and colleges should be aware of the facts in industrial relations. Within our educational system there should be opportunities for the students to discuss labor issues. Teachers of our public and private institutions should lead the students in becoming informed on the problems of laboring men and manage-

ment. Instead of reading only the daily newspapers and magazines, students should have access to the laborer's viewpoint, their objectives as a union and why men strike. If our schools can educate informed men and women about the labor movement in an industrial society, the battle for economic justice within a democratic state would be hastened.

Schools are important centers for communication but there are other institutions which do provide for better understanding, namely the churches. However, the majority of the churches are not doing much towards informing its members about labor and management.

In 1908 the Federal Council of Churches of Christ in America, representing over 30 Protestant denominations, adopted a report on the Church and Modern Industry and followed by pledging itself to a set of industrial and social standards, evolving into what is called "The Social Creed of the Churches."¹ These are a few of the churches' pledges:

For the abolition of child labor. For the protection of the workers from dangerous machinery, occupational diseases, injuries, and mortality. For the right of all men to the opportunity for self maintenance, for safeguarding this right against encroachments of every kind and for the protection of workers from the hardships of enforced unemployment. For a living wage that each industry can afford. For the right of employees and employers alike to organize.²

The Bishops of the Methodist Episcopal Church have said:

We favor an equitable wage for laborers, which

¹ Ward, Harry F., The New Social Order, (New York, 1920), p. 328.

² Ibid., pp. 328-329.

shall have the right of way over rent, interest, and profits. We favor collective bargaining, as an instrument for the attainment of industrial justice and for training in democratic procedure. And we also favor advance of the workers themselves through profit-sharing and through positions on board of directorship.¹

The American Catholics have stated:

Above and before all, he (the employer) must cultivate and strengthen within his mind the truth which many of his class have begun to grasp for the first time during the present war (World War I); namely, that the laborer is a human being, not merely an instrument of production; and that the laborer's right to a decent livelihood is the first moral charge upon industry. The employer has a right to get a reasonable living out of his business but he has no right to interest on his investment until his employees have obtained at least living wages. This is the human and Christian, in contrast to the purely commercial and pagan, ethics of industry.²

The Cantrel Conference of American Rabbis have made a declaration on industry:

The Conference recognizes the right of Labor to organize and to bargain collectively through representative of its own choosing in order to secure its rights at the hands of employers. It calls upon Labor as well as Capital to exhaust all the resources of peaceful settlement before resorting to the strike or lockout. It maintains that the welfare of the public should take precedence over the interests of any class or classes....³

These religious organizations have taken the stand for betterment of labor conditions and relations. However, words without action are fruitless. The local churches should have round-table discussions, and interest groups to create and

¹ Ibid., p. 341.

² Ibid., p. 342.

³ Summary of the Declaration on Social Justice by the General Conference of American Rabbis, 1920-1922.

arouse the church members about their fellow workers. The churches have always stood for justice and the promotion of brotherly love. The church should have trained ministers who would help settle labor disputes, take it out of politics, instead, put it on a man to man basis. Economic problems of labor are not all political, they are social also. If the church acts in the capacity for bettering labor relations by standing for the rights of workers as people, promoting the general welfare for the people as a group, and always fighting for the truths in labor-management disputes, our citizens will be an informed, unbiased people.

There is a common ground between labor and religion. Church members overlook a simple reality, the congregation is composed of members from labor unions and management. What better opportunity is there for discussions than in the Sunday Schools, meeting of the education board and other gatherings where speakers representing labor and management could educate members of the church. The problem of health, housing, juvenile delinquency, race relations are also problems of labor and management. This concept of unity makes clear that the problems of the church, of labor, of management is not one which concerns itself, but rather society, the state, and the nation as a whole.

The foundation for creating well-rounded industrial relations is mutual interest in each others problems and the will to cooperate towards solving these problems. Such an interest and such a will cannot be imposed from without by the govern-

ment fact-finders or other agencies. Mutuality must be built from within by the parties themselves. There can be no industrial peace by laws such as the Taft-Hartly Act of 1947. On March 13, 1948, the National Labor Relations Board reported that a record backlog of 9,500 cases had piled up during the first six months under the Taft-Hartly Act. The Board accepted 12,500 cases during its initial six months of operation under the new law and this was more than ever filed in a full year previously.¹

Forcing labor and management to submission will not mean an end to disputes. Citizens should not have their individual freedom infringed upon by laws. It is a moral obligation of the lawmakers to see to it that laborers are protected as well as employers. It is necessary, however, to have laws to protect the social interest, for there are those few who persist in pursuing their own selfish interest.

The Taft-Hartly Act is a political enactment, and the solution to labor-management problems does not lie in politics. Whether it is sound or not, basically the problem is unchanged. The issue is one of human relations, of finding ways and means by which labor and management can live, work, and prosper together. This calls for an attitude of tolerance, understanding, and the earnest desire to get along with fellow employees; and the willingness to exploit every possibility for adjustments. These attitudes cannot be brought about by law; it is culti-

¹ The Kansas City Star, March 13, 1948.

vated only between the parties themselves. More money is spent fighting unions instead of learning how to get along with them.

What some management needs is a periscope to bring the worker's vision to its own eyes. Not only should a manager be emotionally mature, he should also be human. Even though the different levels of management are able to handle human relations effectively, it is necessary that the skills in handling human problems begins at the top. The strongest influence is not mere words, but an example.

Regardless of how large or small a working force may be, each worker wants to feel he's a part of that group. It is the responsibility of management to treat each man fairly and impartially. The employer should realize that people have feelings, and they are dominated by their feelings. When management treats his employees unfairly, their attitudes will be based upon their feelings and prejudices. This idea of team work, plant spirit, group spirit, is under the leadership of management. High and good morale is the hidden spark plug of industry.

Good morale is built by telling employees they "belong". Mere words are not enough. By printing stories, using films and slides, publishing plant newspapers, giving information on where the raw materials come from, what is done, why people use it and what people buy it - through such a process the company is helping its workers to identify themselves with something of which they are proud. Students in college are proud to identify themselves with their championship basketball or

football team.

Team work is a result of good morale and a lot of the foremen and supervisors are the leaders, captains. Henry Ford II stressed the importance of team play in the Ford Motor Company. He stated:

There are many phases to this job, but the heart of our problem can be stated very simply: it is to get each man in our organization to treat the men he works with as he would like to be treated himself.... One of our major goals is to eliminate the pushing around in all levels of our organization. An important part of each man's job is to try to get along with the people with whom he is working. We want our men at each level to be good managers and to let each man immediately below them know what decisions are being made that will effect them and why.¹

Management must be leaders, not drivers. Management does not build the automobiles, machines, etc. They build men. The workers build the products. Supervisors work with men, and men work with tools and machines. The most important responsibility of management is for managers to arouse the individual initiative of men working under their supervision. If business is going to succeed, it must be human, because it is human beings that will always make the wheels go around.²

The foreman is the key to better labor relations. His daily contacts with the men is the attitude of management towards its employees. We need emotionally mature foremen who can accept unpleasant as well as pleasant facts. He should be analytical, recognizing human difficulties, a leader who does not make hasty

¹ Lilley, Tom, "Henry Ford II Speaks Out," The Atlantic Monthly, December, 1947, pp. 30-31.

² Stowers, op. cit., p. 53.

judgments but who maintains his authority with tact and consideration.

In dealing with the men, the foreman must have the respect of his fellowmen. He must not betray the confidences of his workers, break promises, play favorites or show other partialities which will cause antagonism. There are certain principles or rules of common practice which all foremen or men having any supervisory capacity should follow: (1) make constructive criticism; (2) never criticize or correct workers in front of their fellow workers; (3) be tactful, not evasive; and (4) be a friend, one who listens as well as supervises. These are but a few rules which could be mentioned in terms of getting along with the workers. The application of the Golden Rule and its positive approach is always the basic principle.

The foreman who knows his job, who is well informed outside his work, who is consistent, admits mistakes, carries out rules and regulations without favors, and disciplines justly will not only maintain prestige but will have an efficient force. Because the employees are now represented by the stewards of their unions, it has become exceedingly important that the representative of management, the foreman, know about the company's contract with the union. He should be well informed about the obligations of management under the contract, rights of the union, rights and duties of the steward, grievance settlements, and how to improve contractual relationship.

Being tactful is very necessary on the part of the foreman. He must be able to sell changes to the union steward instead of

forcing it upon him. Changes in the shop must come from within. The psychological adjustment takes time, and the foreman must be sure that the workers are emotionally prepared. The disturbances will cause accidents and unless there is full co-operation morale will fall. It is a moral responsibility of management to prevent accidents. If the foreman can impress upon the steward that safety education is his responsibility to the workers as well as management, accidents can be avoided and morale will be high.

The foreman must develop ways to prevent and handle grievances. Many grievances could be avoided if the steward and his workers were informed. Numerous causes have been mentioned: favoritism, breaking promises, poor working conditions, monotony, etc. There are ways to prevent the rising of friction as mentioned previously. It is the role of the foreman to be trained in his supervisory technique in how to prevent grievances. It is well to mention some of those again: Treat the workers as individuals, handle grievances immediately on the spot, keep promises, be impartial, give reasons for assignments, let workers know in advance when changes are coming, make constructive criticisms so the workers know how they are getting along, be a friend and listen, and don't put off requests made by the workers. These are the things you would ordinarily do for your neighbors. Treat the whole person not just the grievances.

The foremen's personal knowledge of their employees put them in a unique place in management. Top management is able

to obtain accurate knowledge about propositions through its foreman. When negotiation of labor contracts are to be drawn up, if management utilizes the men who administer the contracts, friction in human relations will be minimised. The foreman and supervisors ought to have a place in the negotiations and arbitrations.

How best can employers keep the employees informed on what decisions are made and how it will affect them? With what modern means of communication we have, there is no excuse for keeping the workers in the dark. Many plants have been using the magazines, newspapers, bulletin board, letters from the boss, employee manual, annual or periodic reports, public address systems, group meetings and staff interviews. The key to employee information should be the supervisor. Personal contact by the foreman is one of the best means of communication. Another means of informing employees is by transcription, rebroadcasting of labor-management conferences and negotiations to the workers.

It is difficult to appreciate the importance of good communication between all the levels of management and labor. The workers are just as interested in the business as the boss. They want to know what is going on. They want to be shown why certain contemplated changes are necessary. Workers shouldn't get their information by rumor, for it may not be accurate. Information should be regular, not irregular. When the men are better informed, the better informed the public becomes. Public opinion is after all a factor to be considered. Therefore,

management's first duty to its employees is to keep them informed, informed not only of changes, but also of the facts and policies of the business.¹

As was mentioned previously, things pertaining to interviewing, job classification, job selection, placement and training also have an important part in maintaining good relationship between labor and management.

It seems that the whole problem of creating better labor relations begins at home. Management must take the lead. People have a tendency to push responsibilities off on someone else instead of doing it themselves. Unless each part has a desire to take its share, there is no hope for industrial peace; rather it becomes a battle of nerves.

The responsibility of laborers is to produce goods efficiently and respect the property with which they are entrusted. It is the moral obligation of all workers to carry out contractual relationship in good faith and to look upon management as people like themselves. Furthermore, employees should be loyal, openminded to new ideas, cooperative, willing to follow instructions and work a full day. It is the responsibility of the unions to make good citizens of its members.

The responsibility of management is equally great only with more obligations. Management must realize it is dealing with people, not just a factor of production. The people must have good working conditions, good jobs, good health, equal

¹ Stowers, op. cit., p. 50.

opportunity, and a fair and equitable wage. These are things which all management should provide. If workers are looked upon as human beings, treated as individuals, given the opportunity to express themselves by collective bargaining and suggestion, it is a guarantee for a mutual understanding. Labor and management are a functional partnership. Management must take an interest in its workers and get their point of view. The ability to appreciate and to understand the worker's point of view is a part of a successful method in dealing with people. If employers expect men to have loyalty, respect, enthusiasm, confidence, and faith in the company, they can't force moves on men without first discussing changes with them. In order to maintain the esprit de corp, a management must be consistent in its dealings with the employees; otherwise, how can there be good labor relations?

The importance of creating better labor relations will be the key towards prosperity. Matters of time and motion study, interviewing, job analysis, job selection, placement, training, hiring, firing and collective bargaining are all bound up in the human element of industry.

The fundamental issue refers to a simple phenomena or a philosophy of life which the Master taught 2,000 years ago. The mere fact a problem of great concern exists today is because mankind hasn't tried to practice the Golden Rule in their lives as well as in their contacts with fellow employees and employers. Men must carry their efforts over and above that which is written in union contracts, to make a better area where both

labor and management can come together as partners in business, and treat one another on a human basis.

In concluding, these statements should be emphasized: that the employers take a greater concern for those people whom they call employees and that laborers are human and must be dealt on a level that make them human.

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